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GERMAN MILITARY GOVERNMENT OVER EUROPE: YUGOSLAVIA

Description

A description of the structure, functions, and activities of German military government in Yugoslavia, 1941-44.

1 December 1944

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YUGOSLAVIA

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This study is Part Three, Section Four, V, of the series

GERMAN MILITARY GOVERNMENT OVER EUROPE

the outline of which is as follows:

Part One. Principles and Methods of German Military Government over Europe

Part Two. German Controls in Occupied Europe

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II. The SS and Police in Occupied Europe
III. Military and Police Tribunals in Occupied Europe
IV. The Nazi Party in Occupied Europe
V. Technical and Economic Troops in Occupied Europe
VI. Economic and Financial Controls in Occupied Europe
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I. Alsace, Lorraine, Luxemburg, Eupen, Malmédy, and Moresnet
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YUGOSLAVIA
TERRITORIAL CHANGES AND CLAIMS

GREATER GERMANY (AUSTRIA)
KORUSKA SALIENT
Klagenfurt
RAAB SALIENT
HUNGARY
ANNEXED BY HUNGARY
ANNEXED BY GERMANY
ITALY
Ljubljana
OCCUPIED BY GERMANY
Trieste
Zagreb
Pécs
Drava River
Sombor
ANNEXED BY HUNGARY
RUMANIA
Fiume
Novi Sad
Sava River
Beograd
Danube River
CROATIA
ADRIATIC SEA
Zara
Sarajevo
SERBIA
Split
AUTONOMOUS MONTENEGRO
UNDER GERMAN OCCUPATION
Niš
Sofiya
ANNEXED BY ALBANIA
BULGARIA
Cetinje
Skoplje
ANNEXED BY BULGARIA
Durrës
Tirana
Bitolj
ALBANIA
GREECE
ITALY

INTERNATIONAL BOUNDARY 1937
YUGOSLAVIA 1937
CROATIA 1939
CROATIA 1944
AXIS ANNEXATION
AXIS OCCUPATION
YUGOSLAV CLAIMS

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0 40 80 120 160 KI.

Compiled and Drawn in the Department of State Division of Geography and Cartography, April 3, 1944 1266E

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V. YUGOSLAVIA

A. INTRODUCTION

The defeat of Yugoslavia in April 1941 was the joint work of Germany, Italy, Hungary, and Bulgaria. The military campaign lasted only four days, after which the Yugoslav Army surrendered in a formal treaty of capitulation on 17 April 1941. The result of the campaign was the destruction of the Yugoslav state. At its conclusion Yugoslavia's entire central administrative framework was broken up, and the Yugoslav state as such, according to the German legal theory, ceased to exist. 1/

These facts determined the development of military occupation in the country. The rapid close of military action made possible the early over-all establishment of a definitive form of occupation, based on a distribution of the Yugoslav state among those who had a share in the campaign. The end of the preliminary period of military occupation was marked both by transition to a new form of administration and by the completion of diplomatic negotiations and agreements, distributing parts of the country among its neighbors, cutting out independent states, and delimiting zones of occupation.

When the German troops marched into Yugoslavia the High Command of the Army addressed an appeal to the population, asking them to stay at their regular occupations and follow unconditionally the orders of the German officers. This appeal was followed by a series of decrees intended to guarantee the security of the German military forces, assure a quick resumption of ordinary civil life, and establish a firm grip on the economic activities of the occupied regions. Radio equipment, munitions, and firearms were ordered handed

1/ Cf. Wilhelm Stuckart and Rolf Schiedermair, Neues Staatsrecht, II: Die Errichtung des Grossdeutschen Reiches (Leipzig, 1943), p. 87.

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over to German agencies. Blackouts were instituted; police, schools, and state and local officials were ordered to continue working. These measures were taken on the basis of decrees which came into force by publication in the Verordnungsblatt 1/ and by public posters. Banks were ordered to remain open, and taxes were to be collected as previously and paid to the previous tax agencies. Supervision of these tax agencies was entrusted to German officials, who were authorized to make further pecuniary impositions. Prices were stabilized, foodstuffs, raw materials, and semi-finished products were confiscated and could be disposed of only on permission of the competent German agencies. Industrial enterprises were forced to continue working. German banking establishments (Reichskreditkassen) were established; all capital in the possession of nationals of those states with which Germany was at war was confiscated, and all export of foreign exchange was forbidden.

Political and diplomatic measures accompanying the German advance showed that the fate of Yugoslavia and the form of its future military government had been well prepared before the beginning of action. On 11 April the Hungarian Regent proclaimed that Hungarian troops would take under their protection the Hungarian population in the areas ceded to Yugoslavia by Hungary in 1919. On 16 April Croat leaders proclaimed the independence of Croatia, recognized a few

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1/ Decrees of the German military government in Serbia were published in the Verordnungsblatt. This publication appeared in April and May 1941 under the title Verordnungsblatt für das besetzte Jugoslawische Gebiet, herausgegeben vom Oberbefehlshaber der Armee; from May to August 1941 under the title Verordnungsblatt des Militärbefehlshabers in Serbien; and since August 1941 under the title Verordnungsblatt des Befehlshabers in Serbien. It was supplemented by the Bekanntmachungen und Veröffentlichungen der deutschen Behörden in Serbien. The Serbian authorities had their own Official Gazette, which also appeared in a German edition as Amtsblatt der serbischen Ministerien.

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days later by Germany and Italy. On 20 April Bulgarian troops seized Macedonia. The dismemberment of Yugoslavia and the disposition of its territories among the heirs was substantially completed in May 1941, when frontier agreements were concluded by Croatia with Germany and Italy. The treaty concerning the new Italo-German frontier in Slovenia was signed only on 8 July, but the measures taken by the German Government in Styria and Carinthia immediately upon the entry of German troops into Slovenia indicated that the future of these regions had been settled earlier.

In the procedure by which the dismemberment of the Yugoslav state was accomplished, two points deserve mention.

First, the new frontiers between Germany, Italy, and Croatia were established by international agreements among the parties concerned; but the new frontiers between these powers and the rump of Yugoslavia (now called Serbia) were imposed upon the latter by unilateral proclamation of the non-Serbian power concerned.

Second, with the destruction of the Yugoslav Kingdom a general movement of population from one region to another began, and it was realized that this movement had to be subjected to legal regulation. A long series of resettlement treaties followed. This operation put a burden on all the successor states, but created a special problem for rump Serbia, into which most of the unwanted population groups of the other successor states were dumped.

As a result of these operations, agreements, and measures, German occupation extended in different forms over three different spheres of Yugoslavia. First, certain parts of Slovenia were annexed by Germany. Second, in certain parts of Croatia, on the basis of agreement between the Croatian and German governments, German troops were stationed. Third, in Serbia proper German military government was established.

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B. SLOVENIA

The German military occupation of Slovenia began on 6 April 1941. Shortly thereafter the major portion of Slovenia was divided between Germany and Italy, while a small area in the northeast was awarded to Hungary. On 13 May an agreement between Germany and the newly formed Croatian state established the frontiers between German-held Slovenia and Croatia. A later agreement between Germany and Italy established the frontiers between those parts of Slovenia which were annexed by Germany and those which were annexed by Italy. 1/

The administrative measures taken by the German Government immediately upon the entry of German troops into Slovenia clearly indicated the German intention of incorporating these regions into the Greater Reich. As early as 14 April the Governors (Statthalter) of the neighboring Reichsgaue of Carinthia and Styria were appointed Chiefs of the Civil Administration for the Slovene territories of Upper Carniola-Carinthia and Lower Styria, respectively. These appointments had the object of preparing the two regions for incorporation into the Reich by integrating their administration with that of the adjacent Reichsgaue. German control was facilitated, from the beginning, by the establishment of a totalitarian administrative system analogous to that which prevailed in Germany itself.

Information about the German administrative measures for the annexation of Upper Carniola-Carinthia is meager, but an outline of events in Lower Styria will give an adequate picture of the course of events in both regions. Immediately upon the German occupation the higher civil servants in the twelve districts (Bezirkshauptmannschaften) and in the three

1/ See "Italy," Section Four, III of this series.

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autonomous cities of Maribor, Tselye, and Ptuy, as well as the mayors of all communities, were replaced by temporary appointees who were considered reliable from the German point of view.

The Chief of the Civil Administration appointed special commissioners for all branches of administration, and special administrative units (Einsatzstäbe) were established, in the various districts, charged with carrying out the decrees of the special commissioners in the individual districts.

Four weeks after the occupation of Lower Styria it was considered possible to lift the freezing order for prices and salaries and to issue decrees by which labor relations and price levels were adjusted to the situation in Gau Styria.

Another fundamental measure for adjusting Lower Styria to Styria was a reorganization of the administrative districts. Lower Styria was divided into six rural counties or Kreise (Maribor, Ptuy, Tselye, Trbovlye, Brezitse, and Lyutomer) and one city county (Maribor). Thenceforth German laws and institutions were gradually established in the various administrative fields, and the functions of the civil administration diminished in extent. Ten District Courts were established which took over from the Emergency Bodies (Sonderdienststellen) originally charged with the administration of justice. Jurisdiction in civil affairs and later in criminal affairs was taken over by the District Courts, the process being completed in April 1943. Establishment of the German tax system was completed in April 1943 with the introduction of the land tax laws, after about 110,000 properties had been newly appraised. The introduction of German municipal laws and administration was completed in the same month.

1. Germanization of the Population

Administrative incorporation of this relatively small

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agrarian territory, with a population of some 550,000, presented no great difficulties. Only one complication forced the German Government to proceed relatively slowly: the German character of the population was doubtful. According to the German version, "about half a million persons, who belonged racially, historically, and culturally to the German people but who had been influenced by a foreign language and by false political creeds, had to be brought back to the German community of destiny." 1/ In addition to the half-million inhabitants who, according to German claims, were of German origin (although many of them did not know the German language), there was a strong Slovene minority. Under these conditions the German administration decided to consider the incorporation of this region as completed only when it had been thoroughly Germanized, and formal incorporation was delayed until April 1943.

As a means of intensifying the German national consciousness of the population the German authorities established a political organization, the Styrian Home League (Heimatbund), which had its own defense organization (Wehrmannschaft), youth organization, the German Youth (Deutsche Jugend), and women's organization. These organizations resembled the equivalent branches of the Nazi Party organization in Germany, and performed similar functions. 2/ Two other means used to hasten the process of Germanization were naturalization and resettlement.

a. Naturalization

The policy of the German civil administration was to admit to German citizenship only those persons from Lower Styria whose German character was "biologically and ideologically" assured. For this reason three distinct types

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1/ Kölnische Zeitung, 17 April 1943.
2/ Ibid.

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of citizenship were introduced: full German citizenship (Staatsangehörigkeit), probationary German citizenship (Staatsangehörigkeit auf Wiederruf), and protected status (Schutzangehörigkeit).

Full German citizenship was reserved for Racial Germans (Volksdeutsche), who apparently could attain this status only through membership in the Home League or the German Youth. Probationary German citizenship was awarded to the remaining inhabitants -- except those of "alien blood" (fremdblütig) -- who had previously enjoyed Yugoslav citizenship. Protected status was given to former Yugoslav nationals of "alien blood," for the period of their residence in the territory. In April 1943 the population of Lower Styria was reported to comprise 27,000 full German citizens, 416,000 probationary German citizens, and 83,000 persons in a protected status. 1/

b. Resettlement

The policy of Germanization, by admitting to German citizenship only selected aliens who had gone through a rigorous examination from the biological and ideological points of view, was supplemented by a policy of expelling those elements of the population which did not measure up to German standards. Nationalistic Slovenes were expelled to Serbia (according to the London Times, 152,000 had been so expelled up to July 1942), and agreements about exchanges of population were concluded with the neighboring states -- Croatia and Italy.

In order to populate the farms which Slovenes had to evacuate, German settlers from other parts of Europe, first from Croatia, then from South Tyrol and Bessarabia, were brought into Lower Styria as "resettlers." They immediately

1/ Wilhelm Stuckart and Rolf Schiedermair, op.cit., p. 88; Kölnische Zeitung, 17 April 1943.

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received German citizenship. The first settlement of such elements took place in the county districts of Brezitse and Trbovlye. It was called Settlement Space A and was considered as a model with respect to size of farms, etc. This resettlement was the function of an agency established by Himmler as Reich Commissioner for the Strengthening of German Folkdom (Festigung deutschen Volkstums), but the agency was subordinated to the Chief of the Civil Administration.

The fact that this resettlement had to extend over a long period was probably the main reason why the civil administration was maintained even after the administrative incorporation of this region into the Reich was completed in April 1943. After the defeat of Italy, however, a new disposition of territory formerly belonging to Italy took place, and new tasks devolved upon the Chiefs of the Civil Administration. 1/

1/ Cf. the chapter on Italy.

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C. CROATIA

Simultaneously with the invasion of Yugoslavia, Croatia was established as an independent state and recognized by the Axis powers. Its legal status was that of a puppet state under a totalitarian government, in which Italian and later German influence predominated. The frontiers were defined by agreements with Italy on 18 May 1941 for the frontiers between Croatia and Italy, and on 27 October for the frontiers between Croatia and Montenegro (Italy acting for Montenegro). An agreement with Germany on 13 May established the frontiers between Croatia and German-held Slovenia, and another on 7 June the frontiers between Croatia and Serbia (Germany acting for Serbia). Thus the sovereignty in Croatian territory belonged to the Croatian Government, and military government in the full sense was excluded from the beginning.

However, by agreement with the Croatian Government, German and Italian troops remained stationed in certain parts of Croatia "for the duration of the war." Italian troops occupied a large part of the hinterland, where the German zone comprised only East Syrmia (Srem) with Zemun. The administration of this zone was subordinated to the German Military Government of Serbia.

Despite its theoretical independence, the state of Croatia remained completely dependent on Germany and Italy. The ruling men -- Pavelich and the Kvaterniks -- could have no hope of keeping in power and saving their lives without an Axis victory. Moreover, for the establishment and organization of the new state they needed the full support of the Axis powers.

In the beginning Italy seems to have been regarded as the dominating influence in the new state. The training of the Croatian Army was entrusted to Italy. Germany, however,

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kept some hold on Croatia from the beginning. The Ustashi Secret Service was organized according to the German Gestapo pattern, and the leaders of the Labor Service were trained in German Labor Service education camps. Germany also became the dominant power in Croatia's economic life.

In the course of time, even before the Italian surrender, German influence began to outweigh Italian influence, and Germany began to acquire control over the entire military system of Croatia. An Ustashi SS division was organized, trained, and equipped by German military authorities, and the enlisted men of the Croatian Army were trained in German units. The German minister, SA Obergruppenführer Siegfried von Kasche, and the German military attaché, Generalmajor Glaise von Horstenau, became the two most powerful figures in Croatia, although officially they were only members of the diplomatic corps.

The German position in Croatia was further strengthened by the exceptional rights which the German minority received through German pressure. Early in 1943 the German ethnic group (Volksgruppe) in Croatia, including ethnic Germans who had migrated from Bosnia, was reported to number 140,000 persons.1/ Germans were restricted to certain parts of Croatia (East Syrmia [Srem] and Zagreb) and were removed from the other parts of the country; but within these German districts the communities had to have German mayors and as many German officials as possible, appointed by the Volksgruppenführer. The Volksgruppenführer became the supreme legislative and executive authority for the Racial Germans, who had the right to create their own political, economic, and social organizations. They were organized in conformity with the Nazi pattern, with special agencies for health,

1/ Neues Wiener Tagblatt, 23 March 1943.

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propaganda, schools, economics and settlements, and agriculture. Although subject to military service they did not serve in the Croatian Army but in the German Waffen-SS and in a special home-guard organization (Einsatzstaffel). The leader of the Volksgruppen, Altgayer, had also the official position of Secretary of State to the Head of the State (Poglavnik), Ante Pavelich.

The general scheme of keeping Croatia under German control can thus be summarized as follows: (1) a short zone dominating the main communication line was immediately under German military government; (2) Germany dominated the Croatian Government by training the Croatian Army and Labor Service and by dominating economic life; (3) Germany dominated another small area of Croatian territory through the Racial Germans, and had a direct hold on the Croatian Government through the official position of the leader of the Racial Germans.

While this can be considered the plan through which Germany intended to stabilize its hold over the country, the situation soon was confused by the development of partisan warfare in Croatia. German troops advanced all over Croatia, and large parts of the country became operational zones. The Italian surrender in September 1943 accelerated and completed this development.

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D. SERBIA

As a result of the foundation of Croatia and the distribution of Yugoslav territory among Hungary, Italy, Germany, and Bulgaria, the region in which German military government in the proper sense was established was relatively small. The frontiers were nearly the same as those of Serbia before the First Balkan War, augmented by the Banat. The territory comprised about fifty-five thousand square kilometers with a population of nearly five millions.

The smallness of this region caused a limitation in the functions of the military commander in Serbia. Neither propaganda nor the Todt Organization were subordinated to the military commander. The Propaganda Staffel Belgrade (like the Propaganda Staffel Salonika, Athens, etc.) was subordinated to the Propaganda Division Southeast; similarly the Todt Organization, which is reported to have had a leading part in the reconstruction of Yugoslavia, worked in Serbia within the framework of the Southeastern Command.

The fundamental measures for the establishment of military government in Serbia were taken in April and May 1941. Air force General Förster was appointed military commander in Serbia; the occupation zone was divided into three field commands; the Chief of the Civil Administration and the General Plenipotentiary for Economic Affairs began to enter upon their functions; and the Military Commander appointed a number of Serbs as commissioner heads of the administrative departments.

The general purpose of German military government in Serbia was in no way different from that of German occupation in other European regions, namely, making sure of political control over the country and utilizing to the full its economic potentialities. The special aspects which these general

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aims assumed in Serbia arose from the fact that the territory in question was not a political unit before the German occupation. This had its advantage as well as its disadvantage from the German point of view. The disadvantage was that an entire new administrative organization had to be created, at least on the higher levels, but, on the other hand, this new organization could be shaped from the beginning according to German aims and purposes. Thus the establishment of military government in Serbia meant not only the imposition of German political controls and the direction of economic life according to German war purposes, but also the creation of a new administrative structure.

1. The Administrative Reconstruction of the Banat and Serbia

Yugoslavia had been divided since 1929 into nine provinces (banovine), named after the main rivers of Yugoslavia. Each had a ban (governor) at its head. The city of Belgrade formed an independent unit under a prefect whose rank was equal to that of the bans.

The territory which came under German military government comprised parts of the following five banovine: Dunavska, Drinska, Zetska, Vardarska, and Moravska. Since none of these banovine belonged to German Serbia in its entirety, the necessity for a new administrative organization was obvious. The first steps toward administrative reorganization were taken by the creation of the Banat as an independent administrative unit.

a. The Banat

The reason for the organization of the Banat as an independent administrative unit was the presence of a strong German minority in this region, amounting to some 130,000 persons. It was meant to further the Nazi aim of conserving and strengthening the German racial

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elements and of creating a German outpost which would be an effective support in Germany's efforts to dominate southeastern Europe.

These intentions are clearly evident in the decree of 27 June 1941, issued by the commissioner heads of the Serb ministries, directing that the various administrative districts of the Banat should form "an administrative unit of their own within the framework of the Danube province with the name: Administration of the Viceban (vice governor) of the Danube Province for the Banat." The general tendency of the decree was to establish the rule of the Racial Germans in this new administrative body. German became, in addition to Serbian, an official language. The head of the Banat, the Viceban, was required to be a Racial German, appointed by the Serb Minister of the Interior in agreement with the leader of the Racial Germans. The various departmental heads were to be appointed by the Minister of the Interior at the suggestion of the Viceban and the lower officials were to be appointed directly by the Viceban. In order to have the necessary number of officials of Racial German origin available, the requirements of the Serb Civil Service Code were lifted with respect to Racial Germans. By making Petrovgrad in the Banat the seat of a Court of Appeal, and by specifying that the President of this Court of Appeal (on whose suggestion the judges of the region were to be appointed) must be a Racial German, the administration of justice in this region was brought under the control of the Racial Germans. The financial administration of the Banat was likewise made independent through the establishment of a special inspectorate for the Banat. The Viceban was given authority over the income from local taxes, and the economic capacity of the region was made the basis for taxation.

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The special position of the Banat was reinforced by the fact that traffic and communications between Serbia proper and the Banat were prohibited in the absence of special permission. A strict economic separation of the Banat from the rest of Serbia was instituted. A customs line was drawn around the whole Banat, a statistical section for exports and imports in the Banat was founded, and the buying and selling of the agricultural surplus of the region were placed in the hands of a concern which directed it mainly to Germany. Thus the Banat was isolated from Serbian economic life and directly linked up with the German war economy.

Further measures were taken to reinforce the position of the Racial Germans in this region. Its German character was strengthened by Germanization of place-names. Measures of agrarian reform, insofar as they had led to confiscation of German property, were declared invalid.. Finally, the autonomy of the Racial Germans was acknowledged even in those spheres of activity which had still remained under the Serbian Government. Whereas the Serbian schools remained under the Serbian Ministry of Education, the German schools were placed under the direction of the leader of the German ethnic group (Volksgruppe). The German schools embraced 86 elementary schools, 2 high schools, 1 commercial high school, 1 teachers' institute, and 9 principal schools, in contrast to 570 Serbian elementary schools, 4 high schools, 1 teachers' institute, and 1 commercial academy. The Germans also separated from all the Serbian professional organizations and founded professional organizations of their own.

The administrative functions entrusted to the German minority led to the formation of an organization comprising the following sections: (1) Staff Group, (2) Office of Organization, (3) Office of Propaganda (organizing the German Hour on the radio), (4) Office of Education and Culture, (5) Office of Public

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Health, (6) Office of Public Welfare, (7) Office of Economics. 1/

The Racial Germans were organized according to the pattern of the Nazi Party, in a defense organization of the men, a women's organization, a youth organization, and labor service. At the end of 1942 the Germans were mobilized into the SS and formed an important element of the Prinz Eugen SS Division. 2/

In 1943, following a meeting between Hitler and Nedich, the Serbian puppet Prime Minister, the Germans approved the reintegration of the Banat into the Serb governmental framework. The administration of the Banat was transferred to Serbs and placed on the same level as that of the other Serb districts. The special rights of the German ethnic group were preserved by a decree enacted by Nedich in 1943, guaranteeing to the German ethnic group in the Banat and Serbia, as a public corporation within the Serb state, full freedom of action in the political, cultural, economic, social, and legal fields.

b. Serbia

The decree establishing the Banat as an administrative unit within the Danube Banovina presupposed the continued existence of the Banovina system. It was evident, however, that the administrative organization of pre-war Yugoslavia did not fit the smaller rump Serbia and would have to be abandoned.

On the one hand, central government agencies in Belgrade became superfluous, and a decrease of the bureaucracy was unavoidable. Some of the first decrees of the commissioner heads of the ministries concerned the abolition of the supreme finance-procurate in Belgrade, the dismissal of all officials who held no lifetime appointment, the pensioning of all lifetime-employed civil servants who were over sixty, and the abolition of all special financial subsidies for civil servants.

On the other hand, it was decided to abandon the

1/ Grenzbote, 19 February 1943.
2/ Ibid.

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Banovina system. The Banovina had been divided into Districts (Okruzi), and these now became the highest administrative units. Serbia was divided into fourteen Districts: (Shabats, Valyevo, Belgrade County, Pozharevats, Belgrade City, Zayecher, Leskovats, Kraguyevats, Uzhitse, Kralyevo, Krushevats, Nish, Novi Pazar, Vonyachka Banya), each headed by a prefect. The German military administration was engrafted on this administrative organization. Three Field Commands (Feldkommandanturen) were established in Belgrade, Nish, and Vonyachka Banya. Under these Field Commands, District Commands (Kreiskommandaturen) were established at the prefectural seats. Finally, Local Commands (Ortskommandanturen), subordinated to the District Commands, were established in every important town.

The officials in these Districts (prefects, mayors, etc.) were subordinated to the Serb Ministry of the Interior, which worked in close collaboration with the Chief of the German Civil Administration, Turner. On his inspection trips the head of the Serb Ministry of the Interior was always accompanied by Turner or one of his assistants. Moreover, at regular intervals the Serbian officials were brought together in training camps, where they received instructions from Turner and were informed on the problems of their regions by the District Commanders.

Re-establishment of the administration of justice involved various complicated problems. The German administration of military justice had to be separated from the indigenous justice administration. This was effected by leaving to the German courts the administration of justice over Germans and over all litigations in which Germans were involved. The right of amnesty, which had been taken over by the German Commander, was gradually delegated by him to German and Serbian agencies. He reserved the right of deciding on the death penalty in all cases. The fact that the whole judicial structure which had been fitted to the Yugoslavian Kingdom was no longer appropriate to small Serbia is reflected in a decree, issued in June 1941, making the District Courts final courts of appeal, and in the abolition of the State Court for the Protection of the State.

The fundamental measures for the reoganization of the administration and for a new organization of economic life (see

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below) were completed in the summer of 1941. As a result the Germans believed it time to put Serbian political life on a stronger basis and they allowed the formation of a puppet government under General Milan Nedich who formed a government in August 1941. At the same time the title of the Military Commander in Serbia was changed to Commander in Serbia. This may be taken as an indication that the Nazis intended to give more freedom to the new Serbian state and to transform Serbia gradually into a satellite power.

The first military commander, General Förster, had been succeeded in June 1941 by General von Schröder, who died on 29 July. He was succeeded by Air General Danckelmann, who later was replaced by General Bader.

2. The Establishment of German Controls in Economic Life

The breakup of Yugoslavia, disrupting the economic organization of the country and leaving a small and poor state with the administrative apparatus of large Yugoslavia and with a sudden influx of thousands of refugees, made the economic reconstruction of Serbia a formidable task. Because Serbia had to be organized on an entirely new economic basis and was entirely dependent on German support, it was relatively easy to design the new economic organization of Serbia in accordance with German needs.

At the beginning of May 1941 decrees of the German Military Commander mentioned for the first time a Plenipotentiary for Economic Affairs. Franz Neuhausen, former German Consul General in Belgrade, was appointed to this position. The economic reconstruction of the country became the exclusive work of the German Plenipotentiary for Economic Affairs. There was no division of labor between the Serb Ministry of Economics and the German Plenipotentiary. The Serb Ministry merely carried out the orders issued by the Plenipotentiary and created the necessary bureaucratic sub-structure for them.

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At the outset the task of the Serb agencies was practically restricted to the handling of questions related to the economic problems of the pre-invasion period (moratorium and selling of grain of the 1940 harvest). Only after the decrees of the Plenipotentiary had established a new fundamental organization of Serbian economic life did the role of the Serb Ministry begin to regain its importance.

The task of economic reconstruction was twofold: to re-establish economic life and to create an organization of economic life which permitted control and direction in accordance with the needs of the German war economy.

The main measures concerned with the revival of economic life were decrees on the reopening of industrial enterprises, wages and prices, and the credit system. The establishment of a planned economy involved the creation of agencies controlling production and trade in agriculture and industry, as well as measures for the supervision of foreign trade.

a. Industry

The resumption of industrial activities was organized from the outset in such a way that they would remain planned and controlled. In one of his first decrees the Plenipotentiary published a list of raw materials which were frozen, and all economic enterprises employing more than twenty persons were required to obtain special permission for the resumption or continuation of their operations. Such applications had to be made through the Chamber of Industry, the Chamber of Trade, the Chamber of Crafts, the Central Office of Industrial Corporations, or the Association of Iron and Metal Industries, and transmitted for approval to the General Plenipotentiary for Economic Affairs. Although most associations were dissolved, economic associations were permitted to continue if they had been approved by the Military Commander in agreement with the Plenipotentiary for

Economic Affairs and were registered at the District Commands.

The subordination of economic activity to Germany was reinforced through the grip which Germany obtained on the credit system of the country. The collapse of the Yugoslav state necessitated the liquidation of the Yugoslav National Bank and its replacement by a Serbian National Bank. This change was effected through a decree of the Military Commander of 31 May. The German Plenipotentiary appointed a governor of the new state bank and his deputy, as well as the ten members of the boards of trustees, who were appointed on the proposal of the governor and three members of the supervisory board. Still more important, the Plenipotentiary appointed a commissioner (Söngen), who reported to him regularly on the situation and business contacts of the bank and whose assent was required for all important measures.

Development of the reviving economic life along controlled and planned channels was also ensured by strict supervision of wages and prices. Upon the entry of German troops into Serbia wages and prices were frozen, and the military commanders were charged with their control. By decree of 20 June supervision of prices was placed in the hands of the Plenipotentiary for Economic Affairs, who was authorized to transfer this function to native agencies. A short time afterwards, probably as a result of this decree, the commissioner heads of the Serb Ministries established at the Serb Ministry of Economics a Commission for Prices and Wages consisting of six sections: (1) General Department, (2) Section for Agriculture and Raw Materials, (3) Section for Industry and Handicraft, (4) Section for Wages, (5) Section for Other Services, (6) Section for Supervision. This commission became the organ through which the General Plenipotentiary exerted his control in this field.

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These measures, however, did not suffice to guarantee the direction of Serbian industrial activities in accordance with German purposes. New institutions had to be created which Germany could use for a planned economy in Serbia. The existing chambers of industry and trade, which had been used at the beginning for registration of industrial enterprises could hardly be transformed into instruments for the direction of industrial activities. For this purpose quite new organizational forms had to be created. This was done by a decree of the commissioner heads of the Serb Ministries (2 July), establishing central offices (Zentralen) for iron and metals, for the leather industry, for textiles and textile fibers, and for chemical products. The task of these offices was to issue general rules and individual decrees on the "registration, conservation, fashioning and manufacture, buying, selling, and transport of goods" in the appropriate industrial branches. All industrialists, craftsmen, and traders producing or trading in goods of this kind had to be members of these offices which were subordinated to the Serb Ministry of Economics. Germany gained direct influence over these offices because their directors, who were appointed by the Ministry of Economics, needed the approval of the German Plenipotentiary. Moreover, because the more important raw materials had been frozen and their use was dependent on permission of the German Plenipotentiary, these agencies could function only in full agreement with the German Plenipotentiary.

b. Agriculture

Yugoslav. agriculture before the war had been producing a surplus for export. The dismemberment of Yugoslavia resulted in the virtual disappearance of this surplus, particularly after the separation of the Banat from the economic life of rump Serbia. In pre-war Yugoslavia control of the agricultural export trade had been handled by agrarian cooperatives and by Prizad, a state

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trading company for the export of agricultural products. These companies now became agents for the German control of agricultural production, the Prizad being renamed Sada (Serbian Agrar Products AG) and the personnel of the cooperatives being replaced by men reliable from the German point of view.

Agricultural production was organized through the establishment of central offices for the trade in cattle, the trade in grain and food products, etc. These offices issued general regulations on production and cultivation and, later, on the basis of a general plan, on the amount of deliveries which the various Districts were obliged to surrender. The trading companies bought up the products at fixed prices and were responsible for their disposal to the City Districts, to the German Army, and to Germany.

c. Imports and Exports

The complete control of industrial and agricultural activities necessitated supervision of the export and import trade. With the invasion of the German troops the export of currency had been forbidden, and the Section of Currency Protection had been charged with the supervision of this decree. Measures such as the prohibition of transfers of estates to foreigners were taken. Then in June 1941 the General Plenipotentiary decreed that directions for exports and imports would be issued by the Serb Ministry of Economic Affairs and the Serb National Bank, after being approved by the General Plenipotentiary for Economic Affairs. In accordance with this decree the Serb Ministry of Economics ordered the formation of an export trade committee, charged with dealing with applications for export and import. The control of Serbia's export and import trade was supplemented by the establishment of German customs guards along the frontiers.

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d. Public Finance

The breakup of Yugoslavia gave the Germans -- quite apart from the influence that they exerted as the occupying power -- a unique opportunity for dominating economic life. The dismemberment of Yugoslavia raised the question of the distribution of the Yugoslav economic heritage among the various successor states. In the negotiations on these questions Germany acted as the representative of Serbian interests. The Yugoslav state debts remained the main load on the state finances of Serbia, which otherwise were in a relatively favorable condition after Serbia had been freed of military expenses. An agreement on the division of the state debts was reached only in July 1943. The settlement was not unfavorable for Serbia, since it formally established the principle that Serbia took over a part of the Yugoslav debt as a voluntary act. It was stated that Serbia, like Germany, Italy, Hungary, Croatia, and Bulgaria, should be considered as an acquiring state (Erwerberstaat), not a successor state. Furthermore the quota of the Yugoslav debt which Serbia took over (28 percent) was relatively favorable.

Aside from the domination of Serbian economic life by administrative means, German capital penetrated into the most important economic enterprises of Serbia. German capital had a large part in the most important Serbian banks, especially in the Bankverein A. G. Belgrade. The most important Serbian industrial enterprise, the copper mines of Bor, also came into German hands.

3. German Controls over Labor and Manpower

At the outset the manpower problem presented no great difficulties in Serbia. On the contrary, an influx of refugees from the other parts of Yugoslavia had created a serious unemployment and welfare problem. Indications of the strain

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which the refugee problem placed on the country might be seen in the frequent decrees about special financial reductions for them in the use of railroads, etc. It is believed that there were 200,000-300,000 refugees in Serbia, and a special governmental machinery for handling the refugee problem became necessary. A general office of the presidency of General Nedich's government was established and given the special task of collecting information concerning the treatment of refugees. Furthermore, at the Ministry of Social Welfare a special department was set up to take care of the refugees in cooperation with private initiative.

Even when German pressure for Serbian manpower became stronger, the unemployment situation in Serbia made available sufficient number of workers who went to Germany voluntarily. A youth labor service law and a general labor service law had been decreed in July and November 1941, respectively, but there was no need to make use of these mechanisms. Not until March 1943 were the first classes of Serbs called up for labor service under this law. The call started with the classes of 1917 to 1921 and, because of the need for agricultural labor, seems to have been chiefly restricted to Belgrade. According to the decrees issued, unmarried men and women could be sent to Germany for compulsory labor, but at the beginning most of those called up for labor service seem to have been employed in Serbia in the Bor mines. The pressure on Serbian manpower steadily increased during the following months, however. More classes were called up, and on 3 September 1943 the General Plenipotentiary for Economic Affairs published a decree stating that, because of the shortage of skilled labor, the training of unskilled workmen must be carried out under a plan issued by the Ministry of National Economy in cooperation with the competent technical or expert groups in each field.

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This edict also indicated intimate cooperation between German and Serbian officials on this problem, although no clear distribution of functions can be discerned. It must also be remarked that, because of the importance of registration for labor service, the partisans seem to have made it a definite policy to destroy the registers in all villages taken by them.

Before the German invasion labor organization had not progressed far in Yugoslavia. The formation of a Serbian labor front under the leadership of Nedich was probably designed primarily to facilitate the mobilization of manpower.

4. German Control of Police

The organization and form of police control in Serbia were dominated by the fight against, guerrilla resistance.

When the German troops marched into Yugoslavia the police were ordered to continue to function; the right of issuing police decrees was given to the German local commanders. Immediately after the invasion, however, the Serbian gendarmerie -- the police working in the country districts -- was dissolved as a para-military organization, and its duties were taken over by the German military police. Only the city police was allowed to continue, and it was immediately reorganized and modernized.

This situation changed through the guerrilla fighting which started in the late summer of 1941. According to German theory, war had ended with the surrender of the Yugoslav Army; hence the guerrilla fighters were considered as war criminals and their annihilation was regarded as a police task. Moreover, it is clear that the Germans wanted to spare their own forces so far as possible, and, by exploiting the conflicts among the Serbs, use Serbian manpower for the fight against the guerrillas. Thus they permitted the organization and arming of Serbian fascist organizations and, at the same time, allowed a

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reinforcement of the Serbian police force in order that the government might have at its disposal a military organization of its own, strong enough to maintain its power against the competition of armed fascist organizations. In a further consolidation of this policy the Serb State Guard was organized in December 1941; it embraced the existing town police, the gendarmerie, and the frontier and customs guards. An economic police to fight the blackmarket was added, and finally the other fascist military organizations were reincorporated into this Serbian State Guard. It was organized on the basis of the existing prefectures, the detachments in the single areas being at the disposal of the prefects. The prefects were responsible to the Ministry of the Interior, where the key figure was Drazhi Yovanovich, Chief of State Security and Head of the Police, who held ministerial rank.

The German administration was grafted onto the Serbian police. Yovanovich was responsible to the German Police and SS Leader, Meyssner. Meyssner had at his disposal SS men, mainly Racial Germans from the Banat, who worked together with the men of the Serbian State Guard in policing the country. It was reported in the winter of 1941-42 that police details in Serbia were composed of three men, of the Serbian State Guard, one SS man, and one of the German Military Police.

The security service in Serbia had its headquarters in Belgrade in the Ratnichki Dom, Bracha Yugovich Street. It was divided into six sections, one of which had as its special task the fight against the guerillas. Offices of the security service were located at all the field commands and in the larger cities. A concentration camp was attached to the security service in Belgrade and located in Banjica. It may be remarked that the Serbian police was organized precisely along the pattern of the German police, and had its special secret police.

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5. Summary

The foregoing description of the German military government system in Serbia has shown that there was no clear division of functions between German and native agencies. The German Government seems to have planned to raise Serbia to the rank of a satellite power after the fundamental measures for the reconstruction of Serbia on a new administrative and economic basis had been completed in August 1941. But the outbreak of the fight against the guerrillas necessitated stricter control over the country than might have been intended at the beginning, and more reliance on Serbian parties, groups and military organizations than had seemed feasible when the Nedich government was first established.

From that time on German policy in Serbia wavered between two opposite tendencies. On the one hand, the German Government found it necessary to strengthen its controls over the country and keep a firm grip on all agencies of the Serbian administration. On the other, the German Government found it necessary to make concessions to Serbian nationalism and to grant somewhat more independence and freedom of action in certain fields.

This policy reached its high point in the summer and fall of 1943. The Nedich government, after a meeting between Hitler and Nedich, received the right to increase its state guard from twenty-five thousand to one hundred thousand men. In addition, the administration of the Banat was transferred to Serbs and placed on the same level as that of the other Districts. By securing for the Racial Germans as a group a form of autonomy within the framework of Serb "sovereignty," the Nazis still retained actual control. The German Government also promised Nedich an increase in Serbian territory although the plans for

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this greater Serbia were never quite definite. Suggestions seem to have been made that Serbia might receive access to the Adriatic through the acquisition of Bosnia from Croatia and through the incorporation of Montenegro. Promises of the acquisition of Albanian, Macedonian, and Hungarian territory were also held out.

Such plans could not be carried out within the framework of the military government in Serbia, but implied the elaboration of a uniform policy for the whole of the Balkans. It was therefore logical that in the fall of 1943 the Germans dissolved the offices of the Military Commanders in Serbia and Greece and created a Military Commander for the whole Southeast.

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NOTE ON SOURCES

The official publications of the German military government administrations in Yugoslavia are available in this country only in incomplete form. Most of the gaps, however, have been filled from newspaper material. German newspapers, particularly the Donau Zeitung, have proved most valuable in piecing together the story of the German occupation. If the picture still remains fragmentary, this is the result not only of the fragmentary character of the source material but also, and to an even greater degree, of the guerrilla warfare and the changing military situation which prevented the German administration from assuming a settled and definitive form.

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